

SURREBUTTAL TESTIMONY AND EXHIBITS OF
ANTHONY SANDONATO
ON BEHALF OF
THE SOUTH CAROLINA OFFICE OF REGULATORY STAFF
DOCKET NO. 2019-290-WS

IN RE: APPLICATION OF BLUE GRANITE WATER COMPANY FOR
APPROVAL TO ADJUST RATE SCHEDULES AND INCREASE RATES

Q. PLEASE STATE YOUR NAME, BUSINESS, ADDRESS AND OCCUPATION.

A. My name is Anthony Sandonato. My business address is 1401 Main Street, Suite 900, Columbia, South Carolina, 29201. I am employed by the South Carolina Office of Regulatory Staff (“ORS”) in the Energy Operations Division as a Senior Regulatory Manager.

Q. DID YOU FILE DIRECT TESTIMONY AND EXHIBITS RELATED TO THIS PROCEEDING?

A. Yes. I filed direct testimony and eight (8) exhibits with the Public Service Commission of South Carolina (“Commission”) on January 23, 2020.

Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?

A. The purpose of my surrebuttal testimony is to respond to the rebuttal testimony filed by Blue Granite Water Company (“BGWC” or “Company”) witness DeStefano on February 6, 2020. Specifically, I will focus on:

- The Company’s proposed Annual Rate Adjustment (“ARA”) mechanism;

- Cost of service and tariff rate design;
- Purchased water and sewer treatment expenses and related deferrals;
- Amortization of deferral balances;
- Clarification for “Contributions in Aid of Construction (“CIAC”) tariff language;
- Costs related to processing of the Company’s proposed ARA mechanism filing;
- and
- ORS’s calculated rates and revenue requirement.

Annual Rate Adjustment Mechanism

Q. PLEASE EXPLAIN ORS’S POSITION WITH RESPECT TO THE COMPANY’S PROPOSED ARA MECHANISM.

A. ORS maintains the Company’s ARA mechanism is not a “pass-through” of rates as Company witness DeStefano refers to in his rebuttal testimony. The ARA mechanism is designed by the Company to recover a significant expense with little to no review and inadequate customer protections.

Q. PLEASE EXPLAIN HOW THE COMPANY’S PROPOSED ARA MECHANISM PASSES THROUGH TO CUSTOMERS A CHANGE IN EXPENSE VERSUS A CHANGE IN RATES.

A. As detailed in my Direct Testimony, the Company requests to “pass-through” changes in purchased water and wastewater expenses. This is fundamentally different than a “pass-through” of the change in purchased water and wastewater rates. For example, if a third-party water provider increased the purchased water rate by \$0.05 per 1,000 gallons

1 and the Company was billed for 100,000,000 gallons of water at the updated purchased
2 water rate for the year, then the Company's total increase in purchased water expense
3 would be \$5,000. For comparison purposes, the impact of this purchase water rate change
4 if the customers' metered consumption totaled 75,000,000 gallons, would be an increase
5 of \$3,750 for the year.

6 According to the Company's proposed ARA mechanism, the increase would occur
7 at the expense level and, therefore, there would be an allocation to customers resulting in
8 them covering the \$3,750 attributed to the customer's consumption plus the additional
9 \$1,250, which cannot be attributed to customer's consumption. This means the customer
10 would be liable for the Company's total increase in expenses rather than liable for just the
11 change in rates of the actual commodity.

12 **Q. DOES THE ARA MECHANISM AS PROPOSED BY THE COMPANY EQUATE**
13 **TO A DOLLAR-FOR-DOLLAR PASS-THROUGH IN RATES WITHOUT**
14 **MARKUP OR MARGIN?**

15 **A.** No. The Company stated that the ARA mechanism allows the Company to track
16 and pass on to customers changes in third party rates on a dollar-for-dollar basis without
17 markup or margin.¹ As illustrated above, this is not correct because the Company would
18 be passing on additional costs that could be attributed to non-revenue water or Inflow and
19 Infiltration ("I&I") for purchased sewer treatment systems. Non-revenue water and I&I are
20 appropriately reviewed in a general rate proceeding, and ORS has proposed an adjustment
21 to the Company's purchased water deferral and purchased water expenses in this

¹ Rebuttal Testimony of Dante DeStefano Page 9, lines 7-11

proceeding based on its review of the Company's purchased water expense and management practices.

Q. PLEASE RESPOND TO THE COMPANY'S ASSERTION THAT THE RATE DESIGN PROPOSED IN THE ARA MECHANISM IS MORE COMPLEX THAN THE PASS-THROUGH RATE CHANGES APPROVED BY THE COMMISSION FOR KIAWAH ISLAND UTILITIES, INC. ("KIAWAH") OR OCEAN LAKES UTILITIES, L.P. ("OCEAN LAKES").

A. The Company acknowledges that its ARA mechanism rate design is not as simple as Kiawah's or Ocean Lakes' due to BGWC purchasing water from fourteen (14) providers and purchasing sewer treatment from eight (8) providers. A complicated rate design does not justify shifting the risk to customers of all expenses incurred from a third-party provider's rate increase. Water and sewer utilities in other states purchase water and sewer treatment service from multiple sources and they are able to reflect third-party provider rate increase specifically by water or sewer treatment provider.^{2,3}

Q. DOES ORS'S RECOMMENDATION TO REJECT THE ARA MECHANISM UNFAIRLY IMPACT THE COMPANY?

A. No. ORS's position offers protections to the Company's customers while simultaneously allowing the Company an opportunity to recover increases in its expenses from third-party vendors. This is the same treatment afforded to the Company for the

² Virginia-American Water Company Purchased Water Surcharge Ryder A
<https://dnnh3qht4.blob.core.windows.net/portals/14/Rates/VA%20Water%20Tariff.pdf?sr=b&si=DNNFileManagerPolicy&sig=%2BsuASTYJn20YfaMr0OwTPC8gfYO1grSXbRI5Y30Jluw%3D>

³Maryland Water Service, Inc. Unaccounted-for-Water ("UFW") Reconciliation
<https://www.uiwater.com/docs/default-source/maryland/mws-tariff-water-2018-ufw-04-19-2019.pdf?sfvrsn=0>

1 recovery of other third-party expense increases such as increases in power, contract labor
2 and supplies. The Company is allowed to present increases and changes in operating
3 expenses in a general rate proceeding. During the general rate proceeding process, the
4 changes in all operating expenses are reviewed and may be adjusted. ORS's
5 recommendation to reject the ARA mechanism does not prohibit the Company from
6 seeking recovery of incurred third-party purchased water and wastewater expense.

7 **Q. CAN THE COMPANY MINIMIZE THE COST IMPACT OF THIRD-PARTY**
8 **WATER AND SEWER TREATMENT PROVIDERS?**

9 **A.** Yes. The Company often negotiates contracts with third-party water and sewer
10 treatment providers. It is during this process that the Company would have an opportunity
11 to utilize its long-term strategic planning to negotiate rates and seek out additional
12 opportunities for potentially lower costs of purchased water and sewer treatment for its
13 customers.

14 **Q. DURING A GENERAL RATE CASE PROCEEDING, IS THE COMMISSION**
15 **LIMITED IN ITS ABILITY TO MAKE ADJUSTMENTS RELATED TO THE**
16 **COMPANY'S PURCHASED WATER AND PURCHASED SEWER TREATMENT**
17 **EXPENSES?**

18 **A.** No. The Commission may incorporate adjustments to all Company operating
19 expenses in the determination and approval of rates and charges.. The fact that a municipal
20 entity outside the jurisdiction of the Commission sets a rate for purchased water and sewer
21 treatment expense does not constrain the Commission's determination of just and
22 reasonable rates for the customers of BGWC.

Q. PLEASE SUMMARIZE ORS'S RECOMMENDATIONS PERTAINING TO THE ARA MECHANISM.

A. ORS recommends the Commission deny the Company's request to establish an ARA mechanism. As detailed above, the Company's proposed ARA mechanism 1) does not contain consumer protections, and 2) disproportionally places risks such as non-revenue water on the Company's customers for Company-controlled expenses.

Alternatively, if the Commission determines the Company should recover its purchased water and sewer treatment charges more quickly than a general rate proceeding, ORS recommends that any rate that customers pay for purchased water and sewer treatment be established to reflect the actual rate from the third-party provider that provides the service to the customer.

Cost of Service and Tariff Rate Design

Q. DOES THE COMPANY AGREE WITH ORS'S PROPOSAL TO LIMIT THE INCREASE TO WATER SERVICE TERRITORY 2 REVENUE REQUIREMENT TO NO MORE THAN 31% OF THE TOTAL WATER SERVICE REVENUE REQUIREMENT?

A. Yes. The Company agrees that continued rate consolidation is in the long-term best interest of its customers.⁴

Q. WITNESS DESTEFANO ACKNOWLEDGES THAT THE COMPANY WOULD FILE A COST OF SERVICE STUDY IN ITS NEXT RATE CASE. PLEASE RESPOND TO THE COMPANY'S ACKNOWLEDGEMENT.

⁴ Rebuttal Testimony of Dante DeStefano Page 37, lines 3-4

1 **A.** A Cost of Service Study is essential to determine the proper rate design.
2 Fundamentally, the Cost of Service Study will demonstrate which costs need to be
3 recovered and from which customer classes the cost should be recovered. Due to its
4 importance, ORS recommends the Commission require BGWC conduct a Cost of Service
5 Study that coincides with the test year and is included as part of its next rate case.

6 **Q. IS A COST OF SERVICE STUDY NECESSARY TO IMPLEMENT THE**
7 **PURCHASED WATER OR SEWER TREATMENT CHARGE?**

8 **A.** Yes. The proposed “Purchased Water Charge” and “Sewer Treatment Charge” are
9 listed as separate line items on customer bills and are a component of BGWC’s proposed
10 ARA mechanism.

11 Until the Company completes a Cost of Service Study to identify the cost drivers,
12 the Company cannot support a new rate design for water or sewer customers. ORS
13 recommends the Commission require the Company conduct a Cost of Service Study prior
14 to fundamentally changing its rate structure. The Commission has previously required
15 significant rate design changes to be fully supported by relevant data prior to implementing
16 the proposed changes.⁵ ORS believes that the Company should retain its existing rate
17 structure of a Base Facility Charge, a commodity charge based on water consumption for
18 water customers and a Base Facility Charge for sewer customers until the Company
19 completes a Cost of Service Study.

20 **Q. DOES THE COMPANY’S PROPOSED ARA MECHANISM ALTER BASE**
21 **RATES?**

⁵ Commission Order Nos. 2019-314 and 2019-323

1 **A.** Yes. Company witness DeStefano states the proposed “Purchased Water
2 Adjustment Charge” and “Sewer Treatment Adjustment Charge” would be shown as a
3 separate line item on customer bills.⁶ As discussed earlier, BGWC’s proposal includes fan
4 allocation of expenses from third-party water and sewer treatment providers that
5 incorporate non-revenue water and I&I and other costs that are not directly related to the
6 rate increase from the third-party providers. Witness DeStefano indicates in Rebuttal
7 Testimony the Company is willing to provide a Cost of Service Study in its next base rate
8 filing to support changes in its rate structure. ORS agrees that a Cost of Service Study
9 should be complete before the Commission approves changes to the Base Facility Charges
10 for water and sewer service, commodity charges such as Distribution or the additional of
11 any new volumetric charge.

12 **Q. PLEASE RESPOND TO WITNESS DESTEFANO’S ASSERTION THAT ORS**
13 **RECOMMENDS THAT CHARGES BE “HIDDEN” WITHIN THE COMPANY’S**
14 **RATE STRUCTURE.**

15 **A.** The Company’s current rate design approved by the Commission was
16 recommended by the Company and classifies purchased water and sewer treatment costs
17 as operating expenses which are allocated to all water and sewer customers. The
18 Company’s request to receive quicker recovery of purchased water and sewer treatment
19 costs does not promote greater rate design transparency. Transparency does not result in
20 the customer being assessed a rate that does not reflect the actual increase in an easily
21 understood manner. Until the Company is able to provide customers the actual purchased

⁶ Rebuttal Testimony of Dante DeStefano Page 37, lines 14-15

1 water or purchased sewer treatment expenses related to the services the customer receives
2 from the third-party provider, clarity and transparency will not be improved for the
3 customers.

4 **Purchased Water and Sewer Treatment Expenses and Related Deferrals**

5 **Q. IF THE COMMISSION DECIDES THAT THE COMPANY SHOULD CONTINUE**
6 **THE DEFERRALS TO ACCOUNT FOR CHANGES IN PURCHASED WATER**
7 **AND PURCHASED SEWER TREATMENT EXPENSES, SHOULD THE**
8 **COMPANY BE ALLOWED TO APPLY CARRYING COSTS TO THE**
9 **DEFERRALS AT THE COMPANY'S AUTHORIZED COST OF DEBT?**

10 **A.** No. The Company's request to receive carrying costs in addition to recovery of the
11 deferral will impact customers negatively by increasing the amount to be recovered from
12 customers. Purchased water and sewer treatment expenses are similar to power, contract
13 labor and chemicals. The continuation of the deferral allows the Company the opportunity
14 to recover expenses outside of the historic test year. This benefit accrues to the Company
15 and is sufficient. The addition of carrying costs is not necessary nor does it benefit the
16 customer.

17 **Amortization of Deferral Balances**

18 **Q. PLEASE CLARIFY ORS'S PROPOSED AMORTIZATION PERIOD FOR**
19 **DECOMMISSIONING COSTS AND NET BOOK VALUE FOR THE**
20 **STONEGATE AND FRIARSGATE PLANTS.**

21 **A.** ORS recommends that the amortization period of the Stonegate Water Treatment
22 Plant and associated decommissioning costs of \$742,071 reflect the amortization period of

the corresponding asset accounts. This results in an amortization period of 29.64 years. ORS recommends that the Friarsgate Wastewater Treatment Plant and associated decommissioning costs of \$7,006,490 reflect the amortization of the corresponding asset accounts. This results in an amortization period of 31.12 years. ORS witness Briseno details the calculation of the amortization periods in his surrebuttal testimony.

Clarification of CIAC Tariff Language

Q. DOES ORS AGREE WITH THE COMPANY'S CLARIFICATION RELATED TO CIAC AS DISCUSSED BY COMPANY WITNESS DESTEFANO ON PAGE 36 OF HIS REBUTTAL TESTIMONY?

A. Yes. ORS agrees it is appropriate to incorporate the authorized capital structure from this rate case be utilized to calculate the tax gross up percentage on property contributions.

Costs Related to Processing of the Company's Proposed ARA Mechanism Filing

Q. SHOULD THE COMPANY BE ALLOWED TO RECOVER COSTS ASSOCIATED WITH ITS PROPOSED ARA MECHANISM FILING?

A. No. The Commission should reject the Company's proposed ARA mechanism as filed and as a result the Company will not incur any administrative or legal expenses.

ORS's Calculated Rates and Revenue Requirement

Q. PLEASE DETAIL ORS'S CALCULATED REVENUE REQUIREMENT BASED ON INFORMATION CLARIFIED IN ITS SURREBUTTAL.

A. Surrebuttal Exhibit AMS-1 details the ORS calculated residential and commercial water and wastewater service revenues, as adjusted, of \$32,489,546. ORS's calculated rates

1 provide BGWC with an increase of \$3,829,858 or 31% for water operations and of
2 \$4,626,434 or 40% for sewer operations.

3 **Q. WILL YOU UPDATE YOUR TESTIMONY BASED ON INFORMATION THAT**
4 **BECOMES AVAILABLE?**

5 **A.** Yes. ORS fully reserves the right to revise its recommendations via supplemental
6 testimony should new information not previously provided by the Company, or other
7 sources, becomes available.

8 **Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?**

9 **A.** Yes, it does.

Office of Regulatory Staff
ORS Calculated Revenue
Blue Granite Water Company
Docket No. 2019-290-WS

SURREBUTTAL EXHIBIT AMS-1

ORS Calculated Revenue Summary - BGWC (Service Territory #1 and Service Territory #2)

A	B	C	D	E
Operating Revenue	ORS Calculated Test Year Revenue	Additional Revenue at ORS Calculated Rates	Revenue at ORS Calculated Rates	% Increase
Service Territory 1 - Well Water	\$1,022,329	\$409,274	\$1,431,603	40%
Service Territory 1 - Purchased Water	\$5,557,459	\$2,222,785	\$7,780,244	40%
Service Territory 1 - Water - Misc. Revenue	\$84,650	\$9,249	\$93,900	11%
Total Service Territory 1 Water	\$6,664,438	\$2,641,308	\$9,305,747	40%
Service Territory 2 - Well Water	\$3,917,788	\$830,780	\$4,748,568	21%
Service Territory 2 - Purchased Water	\$1,651,814	\$350,345	\$2,002,159	21%
Service Territory 2 - Water - Misc. Revenue	\$115,189	\$7,425	\$122,615	6%
Total Service Territory 2 Water	\$5,684,791	\$1,188,550	\$6,873,342	21%
Service Territory 1 & 2 - Sewer	\$11,434,254	\$4,576,843	\$16,011,096	40%
Service Territory 1 & 2 - Sewer - Misc. Revenue	\$249,770	\$49,591	\$299,361	20%
Total Service Revenue Sewer	\$11,684,024	\$4,626,434	\$16,310,457	40%
Total Water and Sewer Service Revenues	\$24,033,254	\$8,456,292	\$32,489,546	35%

Office of Regulatory Staff
ORS Calculated Revenue
Blue Granite Water Company
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SURREBUTTAL EXHIBIT AMS-1a

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ORS Calculated Revenue at Current Rates - Service Territory 1							
A	B	C	D	E	F	G	H
	Customer Classification	Average Monthly Consumption per Customer ^x	Usage Charge per 1,000 gallons	Test Year End Customers ¹	Annualized Service Units	Base Facility Charge (BFC)	Test Year Revenue (F*D*C/1000) + (F*G)
WATER	400PWCOM - 1" Purchase Water Commercial	12,561	\$7.55	5	60	\$37.43	\$7,936
	400PWCOM - 1.5" Purchase Water Commercial	1,166	\$7.55	1	12	\$74.86	\$1,004
	400PWCOM - 2" Purchase Water Commercial	60,650	\$7.55	7	84	\$119.78	\$48,526
	400PWCOM - 3" Purchase Water Commercial	108,723	\$7.55	1	12	\$224.59	\$12,545
	400PWCOM - 3/4" Purchase Water Commercial	0	\$7.55	2	24	\$14.38	\$345
	400PWCOM - 5/8" Purchase Water Commercial	7,336	\$7.55	20	240	\$14.38	\$16,744
	400PWRH - 1" Purchase Water Commercial - Riverhills	12,212	\$7.55	41	492	\$37.43	\$63,778
	400PWRH - 1.5" Purchase Water Commercial - Riverhills	35,220	\$7.55	38	456	\$74.86	\$155,392
	400PWRH - 2" Purchase Water Commercial - Riverhills	66,720	\$7.55	43	516	\$119.78	\$321,734
	400PWRH - 3" Purchase Water Commercial - Riverhills	121,237	\$7.55	5	60	\$224.59	\$68,396
	400PWRH - 3/4" Purchase Water Commercial - Riverhills	4,500	\$7.55	22	264	\$14.38	\$12,766
	400PWRH - 4" Purchase Water Commercial - Riverhills	107,190	\$7.55	3	36	\$374.42	\$42,613
	400PWRH - 5/8" Purchase Water Commercial - Riverhills	6,137	\$7.55	101	1,212	\$14.38	\$73,586
	400PWRH - 8" Purchase Water Commercial - Riverhills	592,148	\$7.55	1	12	\$1,150.51	\$67,455
	400PWRES - 1" Purchase Water Residential	3,302	\$7.55	88	1,056	\$14.38	\$41,511
	400PWRES - 1.5" Purchase Water Residential	1,845	\$7.55	56	672	\$14.38	\$19,024
	400PWRES - 2" Purchase Water Residential	2,957	\$7.55	93	1,116	\$14.38	\$40,963
	400PWRES - 3/4" Purchase Water Residential	10,752	\$7.55	1	12	\$14.38	\$1,147
	400PWRES - 4" Purchase Water Residential	599	\$7.55	16	192	\$14.38	\$3,629
	400PWRES - 5/8" Purchase Water Residential	4,636	\$7.55	3,028	36,336	\$14.38	\$1,794,337
	400PWRRH - Purchase Water Res - RH (All Meter Sizes)	4,610	\$7.55	4,683	56,196	\$14.38	\$2,764,028
	400WCOM - 1" Commercial	611	\$5.59	1	12	\$37.43	\$490
	400WCOM - 5/8" Commercial	7,998	\$5.59	7	84	\$14.38	\$4,963
	400WCIR - Commercial Irrigation	30,295	\$7.55	16	192	\$0.00	\$43,916
	400WRIR - Residential Irrigation	7,412	\$7.55	212	2,544	\$0.00	\$142,364
	400WRES - Water Residential (All Meter Sizes)	4,716	\$5.59	1,545	18,540	\$14.38	\$755,365
	402WRES - Water Residential (All Meter Sizes)	3,948	\$5.59	172	2,064	\$14.38	\$75,231
	Water Service Total						\$6,579,788
	Miscellaneous Revenues - Late Fees						\$23,123
	New Customer Charges						\$28,731
	Miscellaneous Service Revenue						\$36
	NSF Check & Reconnect Fee						\$32,760
	Total Miscellaneous Revenues						\$84,650
	Total Operating Revenues						\$6,664,438

Office of Regulatory Staff
ORS Calculated Revenue
Blue Granite Water Company
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SURREBUTTAL EXHIBIT AMS-1a

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Revenue at ORS Calculated Rates - Service Territory 1							
A	B	C	D	E	F	G	H
	Customer Classification	Average Monthly Consumption per Customer ^x	Usage Charge per 1,000 gallons	Test Year End Customers ¹	Annualized Service Units	Base Facility Charge (BFC)	Test Year Revenue (F*D*C/1000) + (F*G)
WATER	400PWCOM - 1" Purchase Water Commercial	12,561	\$10.57	5	60	\$52.40	\$11,110
	400PWCOM - 1.5" Purchase Water Commercial	1,166	\$10.57	1	12	\$104.80	\$1,405
	400PWCOM - 2" Purchase Water Commercial	60,650	\$10.57	7	84	\$167.69	\$67,936
	400PWCOM - 3" Purchase Water Commercial	108,723	\$10.57	1	12	\$314.43	\$17,564
	400PWCOM - 3/4" Purchase Water Commercial	0	\$10.57	2	24	\$20.13	\$483
	400PWCOM - 5/8" Purchase Water Commercial	7,336	\$10.57	20	240	\$20.13	\$23,441
	400PWRH - 1" Purchase Water Commercial - Riverhills	12,212	\$10.57	41	492	\$52.40	\$89,289
	400PWRH - 1.5" Purchase Water Commercial - Riverhills	35,220	\$10.57	38	456	\$104.80	\$217,546
	400PWRH - 2" Purchase Water Commercial - Riverhills	66,720	\$10.57	43	516	\$167.69	\$450,427
	400PWRH - 3" Purchase Water Commercial - Riverhills	121,237	\$10.57	5	60	\$314.43	\$95,754
	400PWRH - 3/4" Purchase Water Commercial - Riverhills	4,500	\$10.57	22	264	\$20.13	\$17,871
	400PWRH - 4" Purchase Water Commercial - Riverhills	107,190	\$10.57	3	36	\$524.19	\$59,659
	400PWRH - 5/8" Purchase Water Commercial - Riverhills	6,137	\$10.57	101	1,212	\$20.13	\$103,018
	400PWRH - 8" Purchase Water Commercial - Riverhills	592,148	\$10.57	1	12	\$1,610.71	\$94,437
	400PWRES - 1" Purchase Water Residential	3,302	\$10.57	88	1,056	\$20.13	\$58,114
	400PWRES - 1.5" Purchase Water Residential	1,845	\$10.57	56	672	\$20.13	\$26,632
	400PWRES - 2" Purchase Water Residential	2,957	\$10.57	93	1,116	\$20.13	\$57,346
	400PWRES - 3/4" Purchase Water Residential	10,752	\$10.57	1	12	\$20.13	\$1,605
	400PWRES - 4" Purchase Water Residential	599	\$10.57	16	192	\$20.13	\$5,081
	400PWRES - 5/8" Purchase Water Residential	4,636	\$10.57	3,028	36,336	\$20.13	\$2,511,999
	400PWRRH - Purchase Water Res - RH (All Meter Sizes)	4,610	\$10.57	4,683	56,196	\$20.13	\$3,869,527
	400WCOM - 1" Commercial	611	\$7.83	1	12	\$52.40	\$686
	400WCOM - 5/8" Commercial	7,998	\$7.83	7	84	\$20.13	\$6,951
	400WCIR - Commercial Irrigation	30,295	\$10.57	16	192	\$0.00	\$61,482
	400WRIR - Residential Irrigation	7,412	\$10.57	212	2,544	\$0.00	\$199,309
	400WRES - Water Residential (All Meter Sizes)	4,716	\$7.83	1,545	18,540	\$20.13	\$1,057,823
	402WRES - Water Residential (All Meter Sizes)	3,948	\$7.83	172	2,064	\$20.13	\$105,352
Water Service Total							\$9,211,847
Miscellaneous Revenues - Late Fees							\$32,372
New Customer Charges							\$28,731
Miscellaneous Service Revenue							\$36
NSF Check & Reconnect Fee							\$32,760
Total Miscellaneous Revenues							\$93,900
Total Operating Revenues							\$9,305,747

¹ From Response to EO#1 Updated 1.4

x from wp.k

Office of Regulatory Staff
ORS Calculated Revenue
Blue Granite Water Company
Docket No. 2019-290-WS

SURREBUTTAL EXHIBIT AMS-1b

ORS Calculated Revenue at Current Rates - Service Territory 2

A	B	C	D	E	F	G	H
	Customer Classification	Average Monthly Consumption per Customer ^x	Usage Charge per 1,000 gallons	Test Year End Customers ¹	Annualized Service Units	Base Facility Charge (BFC)	Test Year Revenue (F*D*C/1000) + (F*G)
WATER	401WCOM - 5/8" Commercial Water Service	8,498	\$10.27	1	12	\$28.59	\$1,390
	401WCOM - 1" Commercial Water Service	1,006	\$10.27	2	24	\$79.59	\$2,158
	401WCOM - 1.5" Commercial Water Service	5,492	\$10.27	1	12	\$146.27	\$2,432
	401WCOM - 3" Commercial Water Service	3,820	\$10.27	3	36	\$499.14	\$19,381
	401WRES - Water Residential (All Meter Sizes)	3,880	\$10.27	4,641	55,692	\$28.59	\$3,811,427
	401PWRFW - Foxwood Purchased Water	1,089	\$11.85	210	2,520	\$28.59	\$104,567
	401WRPUR - 1" Water Distribution and Purchased Water Charge	22,758	\$11.85	4	48	\$28.59	\$14,317
	401WRPUR - 2" Water Distribution and Purchased Water Charge	33,126	\$11.85	18	216	\$28.59	\$90,965
	401WRPUR - 3/4" Water Distribution and Purchased Water Charge	23,996	\$11.85	1	12	\$28.59	\$3,755
	401WRPUR - 5/8" Water Distribution and Purchased Water Charge	3,640	\$11.85	1,671	20,052	\$28.59	\$1,438,210
	403WRES - Water Residential (All Meter Sizes)	4,685	\$10.27	88	1,056	\$28.59	\$81,000
	Water Service Total						\$5,569,602
	Miscellaneous Revenues - Late Fees						\$35,884
	New Customer Charges						\$21,985
	Miscellaneous Service Revenue						\$0
	NSF Check & Reconnect Fee						\$57,320
	Total Miscellaneous Revenues						\$115,189
	Total Operating Revenues						\$5,684,791

Office of Regulatory Staff
ORS Calculated Revenue
Blue Granite Water Company
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SURREBUTTAL EXHIBIT AMS-1b

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Revenue at ORS Calculated Rates - Service Territory 2

A	B	C	D	E	F	G	H
	Customer Classification	Average Monthly Consumption per Customer ^x	Usage Charge per 1,000 gallons	Test Year End Customers ¹	Annualized Service Units	Base Facility Charge (BFC)	Test Year Revenue (F*D*C/1000) + (F*G)
WATER	401WCOM - 5/8" Commercial Water Service	8,498	\$12.43	1	12	\$34.74	\$1,684
	401WCOM - 1" Commercial Water Service	1,006	\$12.43	2	24	\$96.30	\$2,611
	401WCOM - 1.5" Commercial Water Service	5,492	\$12.43	1	12	\$177.72	\$2,952
	401WCOM - 3" Commercial Water Service	3,820	\$12.43	3	36	\$576.51	\$22,464
	401WRES - Water Residential (All Meter Sizes)	3,880	\$12.43	4,641	55,692	\$34.74	\$4,620,676
	401PWRFW - Foxwood Purchased Water	1,089	\$14.34	210	2,520	\$34.74	\$126,898
	401WRPUR - 1" Water Distribution and Purchased Water Charge	22,758	\$14.34	4	48	\$34.74	\$17,332
	401WRPUR - 2" Water Distribution and Purchased Water Charge	33,126	\$14.34	18	216	\$34.74	\$110,110
	401WRPUR - 3/4" Water Distribution and Purchased Water Charge	23,996	\$14.34	1	12	\$34.74	\$4,546
	401WRPUR - 5/8" Water Distribution and Purchased Water Charge	3,640	\$14.34	1,671	20,052	\$34.74	\$1,743,273
	403WRES - Water Residential (All Meter Sizes)	4,685	\$12.43	88	1,056	\$34.74	\$98,181
	Water Service Total						\$6,750,727
	Miscellaneous Revenues - Late Fees						\$43,310
	New Customer Charges						\$21,985
	Miscellaneous Service Revenue						\$0
	NSF Check & Reconnect Fee						\$57,320
	Total Miscellaneous Revenues						\$122,615
	Total Operating Revenues						\$6,873,342

¹ From Response to EO#1 Updated 1.4

x from wp.k

Office of Regulatory Staff
ORS Calculated Revenue
Blue Granite Water Company
Docket No. 2019-290-WS

SURREBUTTAL EXHIBIT AMS-1c

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ORS Calculated Revenue at Current Rates - Service Territory 1 & 2

A	B	C	D	F	G
	Customer Classification	Test Year End Customers ¹	Annualized Service Units ¹	BFC	Test Year Revenues (D*F)
SEWER	400WWCOM - WW Commercial (All Meter Sizes)	233	2,796	\$65.08	\$181,964
	400WWCRH - Commercial WW Treatment - RH (All Meter Sizes)	1,896	22,752	\$65.08	\$1,480,700
	400WWRCR - Residential WW Service (All Meter Sizes)	414	4,968	\$65.08	\$323,317
	400WWRES - WW Residential (All Meter Sizes)	6,171	74,052	\$65.08	\$4,819,304
	400WWRB - Residential WW Service (All Meter Sizes)	89	1,068	\$65.08	\$69,505
	400WWRRH - Residential WW Treatment - YC (All Meter Sizes)	4,455	53,460	\$65.08	\$3,479,177
	400WWRTC - Town of Chapin Purchase WW Res (All Meter Sizes)	88	1,056	\$65.08	\$68,724
	400WWTRL - WW Trailer Residential (All Meter Sizes)	2	24	\$47.50	\$1,140
	400WWTRT - Van Arsdale WW Treatment (All Meter Sizes)	2	24	\$33.86	\$813
	400WWCCP - Commercial Wastewater Service (Richland County)	2	24	\$65.08	\$1,562
	400WWRHT - Riverhills WW Treatment (All Meter Sizes)	10	120	\$65.08	\$7,810
	401WWRES - Residential WW Service (All Meter Sizes)	358	4,296	\$65.08	\$279,584
	401WWCOM - Commercial WW Treatment - (All Meter Sizes)	16	192	\$65.08	\$12,495
	403WWRES - Residential WW Service (All Meter Sizes)	593	7,116	\$65.08	\$463,109
	403WWMOB - Mobile Home Wastewater Service	174	2,088	\$47.50	\$99,180
	403WWVLG - Wastewater Residential Collection Charge	359	4,308	\$33.86	\$145,869
	Sewer Service Total		178,344		\$11,434,254
	Miscellaneous Revenues - Late Fees				\$79,143
	New Customer Charges				\$39,595
	Miscellaneous Service Revenue				\$113,153
	NSF Check & Reconnect Fee				\$17,880
Total Miscellaneous Revenues					\$249,770
Total Operating Revenues					\$11,684,024

Office of Regulatory Staff
ORS Calculated Revenue
Blue Granite Water Company
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SURREBUTTAL EXHIBIT AMS-1c

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Revenue at ORS Calculated Rates - Service Territory 1 & 2					
A	B	C	D	F	G
	Customer Classification	Test Year End Customers ¹	Annualized Service Units ₁	BFC	Test Year Revenues (D*F)
SEWER	400WWCOM - WW Commercial (All Meter Sizes)	233	2,796	\$91.13	\$254,799
	400WWCRH - Commercial WW Treatment - RH (All Meter Sizes)	1,896	22,752	\$91.13	\$2,073,390
	400WWRCF - Residential WW Service (All Meter Sizes)	414	4,968	\$91.13	\$452,734
	400WWRES - WW Residential (All Meter Sizes)	6,171	74,052	\$91.13	\$6,748,359
	400WWRB - Residential WW Service (All Meter Sizes)	89	1,068	\$91.13	\$97,327
	400WWRRH - Residential WW Treatment - YC (All Meter Sizes)	4,455	53,460	\$91.13	\$4,871,810
	400WWRTC - Town of Chapin Purchase WW Res (All Meter Sizes)	88	1,056	\$91.13	\$96,233
	400WWTRL - WW Trailer Residential (All Meter Sizes)	2	24	\$66.51	\$1,596
	400WWTRT - Van Arsdale WW Treatment (All Meter Sizes)	2	24	\$47.41	\$1,138
	400WWCCP - Commercial Wastewater Service (Richland County)	2	24	\$91.13	\$2,187
	400WWRHT - Riverhills WW Treatment (All Meter Sizes)	10	120	\$91.13	\$10,936
	401WWRES - Residential WW Service (All Meter Sizes)	358	4,296	\$91.13	\$391,494
	401WWCOM - Commercial WW Treatment - (All Meter Sizes)	16	192	\$91.13	\$17,497
	403WWRES - Residential WW Service (All Meter Sizes)	593	7,116	\$91.13	\$648,481
	403WWMOB - Mobile Home Wastewater Service	174	2,088	\$66.51	\$138,873
	403WWVLG - Wastewater Residential Collection Charge	359	4,308	\$47.41	\$204,242
	Sewer Service Total		178,344		\$16,011,096
	Miscellaneous Revenues - Late Fees				\$110,821
	New Customer Charges				\$39,595
	Miscellaneous Service Revenue				\$131,066
	NSF Check & Reconnect Fee				\$17,880
	Total Miscellaneous Revenues				\$299,361
	Total Operating Revenues				\$16,310,457

¹ From Response to EO#1 Updated 1.4